



General Assembly

January Session, 2009

Proposed Bill No. 5201

LCO No. 397

Referred to Committee on Banks

Introduced by:
REP. STRIPP, 135th Dist.

AN ACT PROVIDING RELIEF TO HOMEOWNERS IN FORECLOSURE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 That the general statutes be amended to permit the state to
2 guarantee first mortgage loans that enter foreclosure proceedings
3 between July 1, 2009, and June 30, 2011, provided (1) the bank adjusts
4 the interest rate on any such first mortgage loan to be equal to the
5 United States Treasury rate of a similar term plus two and one-half per
6 cent; (2) such guarantees shall be available only to mortgages held by
7 banks regulated by the state; (3) such guarantees shall not exceed an
8 aggregate amount of one hundred million dollars in mortgage value;
9 (4) borrowers of such guaranteed mortgages shall meet all
10 qualification requirements established by the Connecticut Housing
11 Finance Authority, except the requirement that the borrower be a first
12 time homebuyer; and (5) the program shall be managed by the
13 Connecticut Housing Finance Authority within available
14 appropriations.

Statement of Purpose:

To provide relief at no cost to homeowners who are in foreclosure.